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March 10, 2006

The Honorable Kent A. Jordan  
United States District Court  
844 King Street  
Wilmington, DE 19801

*VIA ELECTRONIC FILING*

Re: *Wayne Van Scy v. Van Scy Diamond Mine of Delaware, et al.,*  
C.A. No. 05-108-KAJ

Dear Judge Jordan:

Following up on the voicemail message that Ms. Morgan and I left for the Court a few minutes ago, we are pleased to report that the parties have reached an agreement in principle to settle all of the claims that have been asserted in this matter. That agreement is subject to: (1) entry of a consent judgment that Wayne Van Scy owns the trademark, service mark and registrations asserted in this action, as well as that they are valid and enforceable; and (2) entry of a permanent nationwide injunction against defendants' use of the "Van Scy Diamond Mine" trademark.

The parties have agreed, subject to the Court's approval, to stay all outstanding deadlines pending the completion of the necessary settlement documentation, and expect that our next contact with the Court will be the filing of a stipulation of dismissal.

Respectfully,

*/s/ John G. Day*

John G. Day

JGD/nml  
167483.1

c: Sharon Oras Morgan, Esquire (via electronic mail)  
Michael F. Petock, Esquire (via electronic mail)  
Michael C. Petock, Esquire (via electronic mail)  
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